(a) whether it is a fact that the global investors have been invited to invest in the manufacturing sector of India;

(b) if so, whether this will boost the manufacturing sector of India; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) to (c) Yes, Sir. Government of India has a very liberal and transparent FDI Policy to attract foreign investment in most of the sectors. FDI upto 100% is permitted in most of the manufacturing activities under automatic (no prior approval) route.

In addition, the Government also undertakes investment promotion and facilitation measures to attract foreign investments. The Government facilitates investments by creating conductive climate through international economic agreements as well as liberal policies and procedures. As a result of these measures, FDI equity inflows into India has increased from US$2.18 billion in 2003-04 to US$ 24.49 billion in 2007-08, out of which US$ 8.04 billion (32.8%) was in manufacturing activity.

Major barriers for service sector exports

864. SHRI RAJKUMAR DHOOT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the major barriers for service sector exports to the US, EU and Japan; and

(b) which of these factors are expected to be dealt with under WTO's Doha round and which would remain?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) Some of the major barriers for export of Services to the US, the EC and Japan based on their schedule of commitments and offers at the WTO are as under:—

(i) **Barriers in the US**:

1. Rules and regulations vary across the states of the US making market access onerous and burdensome.
2. Restrictions on numerical quotas on professionals to obtain visas to provide services in the US.
3. Imposition of Labour market Tests.
4. Conditionality on citizenship and residency requirements.
5. Differential tax regime for foreign service supplier.
6. Non-Recognition of qualification and experience of Indian professionals.
7. Issuance and duration of Visas and market access for movement of various categories of natural persons.

8. Market access and national treatment limitations in Accountancy, Architecture, Health, Financial, Tourism, Audio Visual, Maritime, Engineering, Construction and Computer Related Services etc.

(ii) **Barriers in the EU**:

1. Absence of harmonization of rules and regulations among the member States of the EU.
2. Difficulty in expanding operations by Indian service provider already established in one of the EU member State to other member States of the EU.
3. Nationality and residence requirements vary across member States of the EU.
4. Visa related issues such duration of grant of visa.
5. Each member States of the EU requires different work permit.
6. Non — Recognition of qualification and experience of Indian professionals.
7. Varying national requirements concerning professional qualification and experience.
8. The procedure to establish a company in some EU countries.
9. Requirement of Economic Needs Test.
10. Market access and national treatment limitations in Accountancy, Architecture, Health, Financial, Tourism, Audio Visual, Engineering, Construction and Computer Related Services etc.

(iii) **Barriers in Japan**:

1. Nationality and residency requirements.
2. Registration and establishment procedures.
3. Restrictions on establishment of branches of foreign companies.
4. Issuance of Visas and market access for movement of various categories of natural persons.
5. Restrictions in qualification recognition for professionals.
6. Market access and national treatment limitations in Accountancy, Architecture, Health, Engineering, Construction and Computer Related services etc.

(b) In the on-going services negotiations at the WTO these have been raised by way of India's requests to the US, the EC and Japan besides raising them during bilateral meetings with them. Some of these are expected to be addressed by these countries, the final outcome of which would only be known at the conclusion of the Doha Round.